

Press Release

Jai Kar Techno Private Limited

January 14, 2020



Rating Update

Total Bank Facilities Rated	Rs. 13.80 Cr. #
Long Term Rating	ACUITE BB+ Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating of JAI KAR TECHNO PRIVATE LIMITED (JKTPL) to '**ACUITE BB+**' (**read as ACUITE double B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short-term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A3**' (**read as ACUITE A three**) on the Rs. 160.00 crore bank facilities. This rating is now an indicative rating and is downgraded on account of information risk.

JKTPL, was established in 1998 as a partnership firm and incorporated in April 2010 as a private limited company by Mr. Rajindra Chahal and his family members. Later in 2011 the company commenced its operations after taking over the business of two of its associate concerns ie JK Diesels and Prime Power Services. In FY2014-15, the company also merged its group entity Jas Kar Techno Private Limited.

The company is an authorized dealer of Cummins India Limited (CIL) and provides sales & service support for Cummins products. Currently the company has presence in Jharkhand (25 districts), Bihar - (37 districts), Odisha (23 districts), Madhya Pradesh (2 districts), Uttar Pradesh (2 districts), Haryana (3 districts) and Punjab (6 districts). Currently the day to day affairs of the company are looked after by Mr. Kuldeep S. Chahal, Mr. Rajindra S. Chahal, Mr. Amrinder S. Chahal and Mr. Jaspinder S. Chahal.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Trade Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
14 June 2019	Cash Credit	Long Term	4.00	ACUITE BBB- Issuer not co-operating*
	Working Capital Demand Loan	Long Term	0.28	ACUITE BBB- Issuer not co-operating*
	Stand By Line of Credit	Long Term	0.45	ACUITE BBB- Issuer not co-operating*
	Inventory Funding	Short Term	5.00	ACUITE A3 Issuer not co-operating*
	Inventory Funding	Short Term	1.00	ACUITE A3 Issuer not co-operating*
	Bank Guarantee	Short Term	2.95	ACUITE A3 Issuer not co-operating*
	Proposed Fund Based Facility	Short Term	0.12	ACUITE A3 Issuer not co-operating*
03 April 2018	Cash Credit	Long Term	4.00	ACUITE BBB- / Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	0.28	ACUITE BBB- / Stable (Reaffirmed)
	Stand By Line of Credit	Long Term	0.45	ACUITE BBB- / Stable (Reaffirmed)
	Inventory Funding	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Inventory Funding	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	2.95	ACUITE A3 (Reaffirmed)
	Proposed Fund Based Facility	Short Term	0.12	ACUITE A3 (Reaffirmed)
18-Feb-2017	Cash Credit	Long Term	3.00	ACUITE BBB- / Stable (Reaffirmed)
	Term Loan	Long Term	0.16	ACUITE BBB- / Stable (Reaffirmed)
	Working Capital demand Loan (WCDL)	Long Term	0.54 (reduced from 2.44)	ACUITE BBB- / Stable (Reaffirmed)
	Stand by Line of Credit	Short Term	0.45 (enhanced from 0.25)	ACUITE A3 (Reaffirmed)
	Inventory Funding	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Inventory Funding	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	2.95	ACUITE A3 (Reaffirmed)
	Proposed Fund Based Facility	Long Term	0.70	ACUITE BBB- / Stable (Assigned)
19 Jan 2016	Cash Credit	Long Term	3.00	ACUITE BBB- / Stable (Assigned)

	Term Loan	Long Term	0.16	ACUITE BBB-/ Stable (Assigned)
	Working Capital demand Loan (WCDL)	Long Term	2.44	ACUITE BBB-/ Stable (Assigned)
	Stand by Line of Credit	Short Term	0.25	ACUITE A3 (Assigned)
	Inventory Funding	Short Term	5.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	2.95	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	0.28	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	0.45	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
Inventory Funding	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)
Inventory Funding	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.95	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)
Proposed Fund Based Facility	Not Applicable	Not Applicable	Not Applicable	0.12	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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